

# MP Biomass Policy - 2011

## HIGHLIGHTS

<b>Nodal Agency</b>	Madhya Pradesh Urja Vikas Nigam Ltd (MP Urja)
<b>Applicable Technologies</b>	Biomass power projects (Capacity not exceeding 15 MW)
<b>Contract Demand</b>	Industrial units who are the consumers of Madhya Pradesh State Electricity Board installing biomass plants for captive use or purchasing power generated from third party, shall be provided reduction in contract demand.
<b>Industry Status</b>	Projects implemented under this policy will have the status of industry as per MP Industrial Promotion Policy.
<b>Use of conventional Fuel</b>	Use of 15% of conventional fuel is permitted.
<b>Performance guarantee</b>	1% of the total project cost to be deposited.
<b>CDM Benefits</b>	As per the provisions specified by Madhya Pradesh Electricity Regulatory Commission (MPERC).
<b>Tariff</b>	Rates as per orders issued by MPERC, amended from time to time.
<b>Evacuation Arrangement</b>	Not mentioned

## OTHER PROVISIONS

This policy encourages developers to utilize wastelands and government lands close to forests for biomass based power projects

<b>Use of Govt. &amp; non-forest wastelands</b>	<ul style="list-style-type: none"> <li>• On govt. land, maximum 2 acres per megawatt may be used for biomass projects.</li> <li>• For non-forest wastelands, the maximum area of land for the project will be 100 acres per MW and land will be made available for maximum 5 MW.</li> <li>• The state-owned power trading company shall have the first right of purchase of electricity generated from these projects.</li> </ul>
<b>Incentives by state govt.</b>	<ul style="list-style-type: none"> <li>• 50% stamp duty exemption on purchase of private land.</li> <li>• The state govt. will provide a grant of 4% for wheeling charges applicable as specified by MPERC, for a period of 10 years from date of commissioning.</li> <li>• Electricity duty and cess exemption for all projects (including captive) for 10 years from date of commissioning.</li> <li>• Third party sale, within or outside MP, shall be allowed as per MPERC regulations as issued from time to time.</li> </ul>
<b>Links</b>	<a href="http://www.mprenewable.nic.in/policy.html">http://www.mprenewable.nic.in/policy.html</a>
<b>References</b>	<a href="http://biomasspower.gov.in/document/Policy/Madhya%20Pradesh.pdf">http://biomasspower.gov.in/document/Policy/Madhya%20Pradesh.pdf</a>